

## Message Text

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ORIGIN TRSE-00

INFO OCT-01 EUR-12 EA-06 ISO-00 AID-05 CEA-01 CIAE-00

COME-00 EB-07 FRB-01 INR-05 IO-10 NEA-06 NSAE-00

RSC-01 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 SWF-01

OMB-01 L-02 SS-15 NSC-05 DODE-00 NSCE-00 SSO-00

USIE-00 INRE-00 /090 R

DRAFTED BY TREAS:CLOHMANN/MBRADFIELD:WW

APPROVED BY EB/IFD/ODF:RSGELBARD

AID/PPC/IA:HSTERNBERGER

ARA/ECP:WKNEPPER

EUR/RPE:JAUBERT

AID/PPC/PDA:HTOWSLEY

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O R 062330Z DEC 74

FM SECSTATE WASHDC

TO USMISSION OECD PARIS IMMEDIATE

AMEMBASSY BONN IMMEDIATE

INFO AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: EFIN, IDB

SUBJECT: IDB PROCUREMENT PROVISIONS

REF: OECD PARIS 28975, STATE

1. IN MEETING WITH IDB AND PROSPECTIVE NON-REGIONAL  
COUNTRY MEMBERS (NRC) IN BONN NOV. 5-6, U.S. NEGOTIATED  
UNDERSTANDING WITH NRC WHEREBY U.S. AGREED TO UNTIE  
PROCUREMENT MADE WITH FUNDS CONTRIBUTED IN FUTURE  
REPLENISHMENTS (I.E., SUBSEQUENT TO REPLENISHMENT EXERCISE  
CURRENTLY CONTEMPLATED BY REGIONAL MEMBERS FOR 1976-1978).

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IN ORDER TO AVOID POSSIBILITY THAT NEW NRC MEMBERS MIGHT

REFUSE TO PARTICIPATE IN FUTURE REPLENISHMENTS YET CONTINUE TO ENJOY PROCUREMENT BENEFITS, WE ALSO PROPOSED AND ULTIMATELY OBTAINED NRC AGREEMENT TO RECIPROCAL DECLARATIONS THAT UNTIED PROCUREMENT WOULD APPLY ONLY IN MEMBER COUNTRIES ACTUALLY PARTICIPATING IN FUTURE REPLENISHMENTS. THIS UNDERSTANDING IS TO BE COMMUNICATED IN LETTERS FROM U.S. AND FROM NRC TO IDB PRESIDENT AT TIME OF JOINT IDB/NRC DECLARATION IN MADRID, DECEMBER 17, 1974,

OF INTENT TO IMPLEMENT NRC MEMBERSHIP. UNDERSTANDING ALSO EMBODIED IN DECLARATION OF MADRID AND SUBJECT OF AMENDMENT TO IDB CHARTER PROPOSED BY U.S.

2. ALTHOUGH JAPANESE AND OTHERS HAD SOME RESERVATIONS AT BONN MEETING, ALL NRC ULTIMATELY ACCEPTED PROPOSAL AND

U.S. LETTER. TO EXTENT THAT JAPANESE NOW SAY MADRID DECLARATION ONLY NOTES U.S. PROPOSED AMENDMENT, WE BELIEVE THIS MAY CONSTITUTE RENEGING ON A COMMITMENT. OUR VIEW IS THAT ON-GOING PARTICIPATION IN REPLENISHMENT IS QTE EXISTING GENERAL PRACTICE UNQTE. IN INTERNATIONAL DEVELOPMENT BANKS. WE UNDERSTAND SUBJECT WAS RAISED DURING CONSIDERATION OF DAC DECLARATION AND THAT A STATEMENT OF SPECIFIC CONTINUING CONTRIBUTION REQUIREMENT WOULD HAVE BEEN ACCEPTED IF PROPOSED. THEREFORE, U.S. BELIEVES THAT NEGOTIATED UNDERSTANDING ON IDB PROCUREMENT IS CONSISTENT WITH DAC DECLARATION ON MULTILATERAL UNTYING.

3. WHILE WE ARE INTERESTED IN EXPRESSION OF OUR INTERPRETATION IN DAC RECORD, WE AGREE THAT IT PREFERABLE TO AVOID DAC DISCUSSION OF THIS MATTER AT PRESENT TIME. ACCORDINGLY WE URGE YOU TO DISCOURAGE JAPANESE INITIATIVE. IN ADDITION TO ABOVE BACKGROUND INFORMATION, YOU MAY ALSO POINT OUT THAT WE ARE CONSULTING WITH JAPANESE BILATERALLY. FURTHERMORE, WE BELIEVE THAT ANY OTHER DISCUSSION OF ISSUE SHOULD REMAIN WITHIN CONTEXT OF IDB AND NEGOTIATIONS ON NON-REGIONAL MEMBERSHIP. WE CONSIDER IT IMPORTANT THAT NRC AND IDB PROCEED ON SCHEDULE WITH DECLARATION OF MADRID. ANY ATTEMPT TO SIGNIFICANTLY ALTER THE LANGUAGE OR INTENT AT THIS TIME COULD PREJUDICE LIMITED OFFICIAL USE

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THE ENTIRE NON-REGIONAL EXERCISE.

4. FOR BONN - ADVISE MOLTRECHT THAT JAPAN IS ATTEMPTING TO RAISE PREVIOUSLY DECIDED ISSUE DESCRIBED PARAGRAPH 1

IN DECEMBER 12 DAC SESSION AND INDICATE U.S. FEELING THAT ATTEMPT TO CHANGE LANGUAGE OR INTENT AT THIS TIME COULD PREJUDICE NON-REGIONAL EXERCISE. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENT DRAFT, PROCUREMENT, GOVERNMENT REACTIONS, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 DEC 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** Izenbel0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE268745  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** CLOHMANN/MBRADFIELD:WW  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ORIGIN TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
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**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** OECD PARIS 28975, STATE  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** Izenbel0  
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**Review Date:** 01 MAY 2002  
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**Status:** NATIVE  
**Subject:** IDB PROCUREMENT PROVISIONS  
**TAGS:** EFIN, IDB  
**To:** OECD PARIS BONN  
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